



State of Washington
Agency Activity Inventory System
Agency Activity by Agency
Approp Period 2001-03
Activity Version: 2001-03 Recast Actuals

Agency: 160 - Office of Insurance Commissioner

Statewide Result: Improve the economic vitality of businesses and individuals

Agency Administration

The Insurance Commissioner is responsible for regulating the insurance industry in Washington State. The activities of the Office of the Insurance Commissioner are primarily funded by fees from insurance organizations. Agency management develops policies, regulations, and codes to ensure that the citizens of Washington are able to access affordable insurance, as well as provides the administrative support necessary for other divisions within the office to carry out their functions. (Insurance Commissioner's Regulatory-State)

Total \$ \$7,407,096

GFS \$ \$0

Other \$ \$7,407,096

FTEs 32.9

Agency Priority:

Expected Results

To provide executive and administrative services in support of the agency's mission in a professional, qualitative, and responsive manner which emphasizes efficiency and cost-effectiveness.

Statewide Result: Improve the economic vitality of businesses and individuals

Monitoring Insurance Company Solvency

This activity protects consumers by monitoring the solvency of insurance carriers, health care service contractors, health maintenance organizations, and certified health plans authorized to conduct business in Washington State. Solvency issues may be identified through market conduct examinations, financial examinations, or financial analysis of statements filed by insurers. If increased monitoring activity and insurer's response to that activity does not result in an improvement of the solvency issues, the Insurance Commissioner may petition the Superior Court for a rehabilitation order. Upon entry of a rehabilitation order, the insurer's management is suspended, and the Insurance Commissioner and their staff, as officers of the court, manage the insurer's operations. If rehabilitation is deemed unlikely, the court may order the insurer liquidated. The Insurance Commissioner continues to manage the operations of the insurer until liquidation is complete. (Insurance Commissioner's Regulatory-State)

Total \$ \$6,263,229

GFS \$ \$0

Other \$ \$6,263,229

FTEs 38.5

Agency Priority:

Expected Results

Company Supervision staff complete approximately 14 market conduct and financial examinations of insurers each year. Staff also completes approximately 300 detailed desk examinations of quarterly and annual financial statements and reviews approximately 96 monthly statements filed by domestic insurers; reviews cursory quarterly review of statements filed by almost 1,400 foreign insurers; and reviews intermediate quarterly review of statements filed by approximately 236 financially distressed foreign insurers.



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Regulation of Insurance Rates

Staff reviews and approves the complex actuarial formulas, assumptions, and experience data submitted as part of a proposed rate filing to assure rates are neither excessive, inadequate, nor unfairly discriminatory. Timely and accurate review is necessary to assure the financial viability of the insurance company, as well as protecting Washington citizens from overcharges. Policy forms are reviewed to assure that the terms and conditions of the insurance contract comply with state and federal laws prior to sale in Washington. (Insurance Commissioner's Regulatory-State)

Total \$ \$4,528,589

GFS \$ \$0

Other \$ \$4,528,589

FTEs 26.9

Agency Priority:

Expected Results

Rates and Forms staff reviews approximately 8,500 rate filings and 10,000 form filings per year.

Statewide Result: Improve the health of Washington citizens

Consumer Information and Advocacy

Staff responds to oral and written complaints and inquiries from consumers regarding insurance companies, and acts as an advocate when appropriate. Assistance is rendered to enforce the various provisions of the insurance code and is based on authority to take disciplinary action against an insurance company and other licensees. The unit's primary function is to ensure that consumer rights have not been violated. Staff also provides information to help consumers make educated decisions about insurance purchases. (Insurance Commissioner's Regulatory-State)

Total \$ \$3,460,564

GFS \$ \$0

Other \$ \$3,460,564

FTEs 25.1

Agency Priority:

Expected Results

Consumer Advocacy staff receives and answers approximately 112,500 inquiries and recovers an estimated \$13.55 million per year for consumers as a result of their intervention.

Statewide Result: Improve the health of Washington citizens

Health Insurance Benefit Advisors

The Statewide Health Insurance Benefits Advisors HelpLine (SHIBA) is a statewide network of trained volunteers who educate, assist, and advocate for consumers regarding health insurance and health care access issues. (Insurance Commissioner's Regulatory-State)

Total \$ \$3,026,603

GFS \$ \$0

Other \$ \$3,026,603

FTEs 14.1

Agency Priority:

Expected Results

SHIBA HelpLine staff and volunteers receive and answer approximately 89,000 inquiries per year and recover an estimated \$1.03 million per year for consumers as a result of their intervention.



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Statewide Result: Improve the health of Washington citizens

Policy and Enforcement

Staff handles enforcement actions against insurance companies, health carriers, and others; provides information and counsel to other agency divisions; and supports the public policy activities of the agency.
(Insurance Commissioner's Regulatory-State)

Total \$ \$2,782,696

GFS \$ \$0

Other \$ \$2,782,696

FTEs 13.8

Agency Priority:

Expected Results

Legal Affairs staff recovers an estimated \$994,000 per year for consumers as a result of their intervention and each year brings approximately 189 companies, health carriers, and others into compliance through their enforcement actions.

Statewide Result: Improve the economic vitality of businesses and individuals

Investigations and Enforcement

Staff investigates and acts upon violations of laws and rules regarding sales and marketing practices, account standards, and related matters. Staff also assists consumers with problems involving insurance sales or marketing practices by agents, brokers, or insurers.
(Insurance Commissioner's Regulatory-State)

Total \$ \$1,802,391

GFS \$ \$0

Other \$ \$1,802,391

FTEs 11.0

Agency Priority:

Expected Results

Investigations and Enforcement staff recover an estimated \$2.07 million per year for consumers as a result of their intervention, and bring approximately 17 agents and/or brokers per year into compliance through their enforcement actions.

Statewide Result: Improve the economic vitality of businesses and individuals

Agents and Brokers Licensing and Education

Staff involved in this activity issues and renews licenses for agents, brokers, solicitors, adjustors, viatical settlement brokers, and others. Staff also administers continuing education requirements. (Insurance Commissioner's Regulatory-State)

Total \$ \$1,201,593

GFS \$ \$0

Other \$ \$1,201,593

FTEs 10.0

Agency Priority:

Expected Results

Licensing and Education staff issues approximately 28,000 new licenses and 89,000 new appointments per year; and renews approximately 22,774 licenses and 125,000 appointments per year.

Sub-Total for Agency 160 - Office of Insurance Commissioner

Totals \$30,472,761

GFS \$0

Other \$30,472,761

FTEs 172.0